

WORKFORCE SAFETY & INSURANCE
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2006

	December-06					September-06				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation		Quarter Net ROR	Month Net ROR	Market Value	Allocation		Quarter Net ROR	Net	Net	6/30/2006 Net	6/30/2006 Net
		Actual	Policy										
LARGE CAP DOMESTIC EQUITY													
<i>Structured Growth</i>													
Los Angeles Capital	18,793,121	1.5%	1.5%	7.40%	0.16%	17,403,233	1.4%	1.5%	1.60%	9.12%	11.12%	N/A	N/A
Total Structured Growth	18,793,121	1.5%	1.5%	7.40%	0.16%	17,403,233	1.4%	1.5%	1.60%	9.12%	11.12%	12.01%	-0.32%
<i>Russell 1000 Growth</i>				5.93%	0.34%				3.94%	10.10%	6.12%	8.35%	-0.76%
<i>Structured Value</i>													
LSV	20,801,782	1.6%	1.5%	8.09%	1.93%	19,175,872	1.5%	1.5%	4.90%	13.39%	15.05%	21.14%	12.22%
Russell 1000 Value				8.00%	2.24%				6.22%	14.72%	12.10%	15.70%	6.89%
<i>Russell 1000 Enhanced Index</i>													
LA Capital	39,417,556	3.1%	2.9%	7.67%	1.05%	34,713,548	2.8%	2.9%	3.71%	11.66%	11.58%	N/A	N/A
Russell 1000				6.95%	1.28%				5.06%	12.36%	9.08%	N/A	N/A
<i>S&P 500 Enhanced Index</i>													
Westridge	39,715,739	3.1%	2.9%	6.86%	1.43%	37,067,573	3.0%	2.9%	5.75%	13.00%	8.77%	N/A	N/A
S&P 500				6.70%	1.40%				5.67%	12.74%	8.63%	N/A	N/A
<i>Index</i>													
State Street	13,958,906			8.03%	2.51%	12,876,735			5.78%	14.28%	9.51%	11.47%	2.62%
Total 130/30	13,958,906	1.1%	1.0%	8.03%	2.51%	12,876,735	1.0%	1.0%	5.78%	14.28%	9.51%	11.47%	2.62%
S&P 500				6.70%	1.40%				5.67%	12.74%	8.63%	11.22%	2.49%
TOTAL LARGE CAP DOMESTIC EQUITY	132,687,105	10.5%	9.8%	7.50%	1.32%	121,236,962	9.8%	9.8%	4.49%	12.32%	10.95%	13.63%	3.95%
S&P 500				6.70%	1.40%				5.67%	12.74%	8.63%	11.22%	2.49%
SMALL CAP DOMESTIC EQUITY													
<i>Manager-of-Managers</i>													
SEI	44,114,174	3.5%	3.3%	8.82%	0.32%	40,474,551	3.3%	3.3%	-0.01%	8.81%	13.58%	18.20%	7.84%
Russell 2000 + 200bp				9.43%	0.50%				0.94%	10.46%	16.86%	21.06%	10.38%
TOTAL SMALL CAP DOMESTIC EQUITY	44,114,174	3.5%	3.3%	8.82%	0.32%	40,474,551	3.3%	3.3%	-0.01%	8.81%	13.58%	18.20%	7.86%
Russell 2000				8.90%	0.33%				0.44%	9.38%	14.58%	18.70%	8.50%
INTERNATIONAL EQUITY													
<i>Large Cap - Active</i>													
Capital Guardian	42,833,903	3.4%	3.2%	8.53%	3.03%	39,409,923	3.2%	3.2%	5.02%	13.98%	28.07%	20.99%	6.90%
LSV	42,564,482	3.4%	3.2%	10.66%	4.55%	38,460,224	3.1%	3.2%	6.24%	17.56%	27.09%	N/A	N/A
Total Large Cap - Active	85,398,385	6.8%	6.4%	9.58%	3.78%	77,870,147	6.3%	6.4%	5.62%	15.74%	27.66%	21.92%	12.63%
MSCI EAFE - 50% Hedged				9.06%	3.79%				4.87%	14.37%	26.72%	22.56%	6.89%
<i>Small Cap - Value</i>													
Lazard	10,492,577	0.8%	0.8%	14.66%	4.20%	9,148,767	0.7%	0.8%	0.72%	15.49%	23.65%	28.06%	N/A
Citigroup Broad Market Index < \$2BN				11.41%	3.40%				1.53%	13.11%	29.28%	32.40%	N/A
<i>Small Cap - Growth</i>													
Vanguard	10,641,206	0.8%	0.8%	12.63%	3.92%	9,445,634	0.8%	0.8%	3.73%	16.83%	29.24%	32.39%	N/A
Citigroup Broad Market Index < \$2BN				11.41%	3.40%				1.53%	13.11%	29.28%	32.40%	N/A
TOTAL INTERNATIONAL EQUITY	106,532,168	8.4%	8.0%	10.35%	3.84%	96,464,547	7.8%	8.0%	4.93%	15.79%	27.35%	23.83%	8.67%
MSCI EAFE - 50% Hedged				9.06%	3.79%				4.87%	14.37%	26.72%	22.56%	6.89%
DOMESTIC FIXED INCOME													
<i>Core Bond</i>													
Western Asset	218,671,527	17.3%	17.3%	2.01%	-0.36%	214,387,901	17.3%	17.3%	4.45%	6.56%	-0.90%	7.36%	8.59%
Lehman Aggregate				1.24%	-0.58%				3.81%	5.09%	-0.81%	2.05%	4.97%
<i>Core Plus/Enhanced</i>													
Clifton Group	49,765,650	3.9%	4.0%	0.66%	-0.69%	49,450,914	4.0%	4.0%	N/A	N/A	N/A	N/A	N/A
Prudential	49,834,767	3.9%	4.0%	1.88%	-0.39%	48,898,900	3.9%	4.0%	N/A	N/A	N/A	N/A	N/A
Total Core Plus/Enhanced	99,600,418	7.9%	8.0%	1.27%	-0.54%	98,349,814	7.9%	8.0%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				1.24%	-0.58%				3.81%	N/A	N/A	N/A	N/A
<i>Index</i>													
Bank of ND	91,990,039	7.3%	7.3%	1.31%	-0.40%	94,294,224	7.6%	7.3%	3.10%	4.46%	-1.14%	1.14%	4.90%
Bank of ND CD'S	2,259,966	0.2%	0.2%	1.32%	0.45%	2,290,001	0.2%	0.2%	1.33%	2.66%	N/A	N/A	N/A
Total Index	94,250,005	7.5%	7.5%	1.32%	-0.37%	96,584,225	7.8%	7.5%	3.07%	4.43%	-1.02%	1.09%	4.62%
Lehman Gov/Credit (1)				1.04%	-0.76%				3.91%	4.99%	-1.52%	1.04%	4.78%
<i>BBB Average Quality</i>													
Wells Capital (formerly Strong)	218,047,400	17.3%	17.3%	1.75%	-0.69%	214,330,011	17.3%	17.3%	4.60%	6.43%	-2.11%	2.63%	N/A
Lehman US Credit BAA				1.49%	-0.94%				4.80%	6.36%	-2.37%	2.63%	N/A
TOTAL DOMESTIC FIXED INCOME	630,569,350	50.0%	50.0%	1.70%	-0.51%	623,651,951	50.4%	50.0%	4.30%	6.07%	-1.35%	2.25%	5.52%
Lehman Aggregate (2)				1.24%	-0.58%				3.81%	5.09%	-0.81%	1.84%	5.28%
TREASURY INFLATION PROTECTED SECURITIES (TIPS)													
Northern Trust Global Investments	133,563,764	10.6%	11.0%	-1.26%	-2.32%	135,265,251	10.9%	11.0%	3.51%	2.21%	-1.53%	N/A	N/A
Western	134,313,292	10.6%	11.0%	-0.90%	-2.26%	135,529,802	10.9%	11.0%	3.85%	2.91%	-1.94%	N/A	N/A
TOTAL TIPS	267,877,056	21.2%	22.0%	-1.08%	-2.29%	270,795,053	21.9%	22.0%	3.68%	2.56%	-1.74%	N/A	N/A
LB US TIPS Index				-1.29%	-2.33%				3.63%	2.29%	-1.64%	N/A	N/A
REAL ESTATE													
JP Morgan	73,706,704	5.8%	6.0%	0.01%	0.00%	75,441,606	6.1%	6.0%	0.57%	0.58%	N/A	N/A	N/A
NCREIF Total Index				3.51%	1.16%				3.51%	7.14%	18.23%	N/A	N/A
CASH EQUIVALENTS													
Bank of ND	6,513,537	0.5%	1.0%	1.32%	0.44%	9,976,948	0.8%	1.0%	1.35%	2.68%	4.50%	2.71%	2.42%
90 Day T-Bill				1.26%	0.44%				1.33%	2.60%	4.00%	2.37%	2.25%
TOTAL WSI	1,262,000,093	100.0%	100.0%	2.48%	-0.28%	1,238,041,619	100.0%	100.0%	3.84%	6.42%	3.45%	6.76%	5.44%
POLICY TARGET BENCHMARK				2.20%	-0.28%				3.89%	6.17%	3.63%	6.36%	5.48%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.